



## Trans-Tasman Portfolio

September 2015

### Performance Commentary

Our August return was down 1.8% but this was significantly less than the S&P/NZX50 Index which dropped 4.5%. Two factors saw us outperform the market in a very challenging month. Firstly, several key holdings delivered good earnings results and secondly, not holding any pre-profit companies. In episodes of turmoil the market loses interest in hopes and dreams and focuses on "what are you doing for me right now?" And in that context pre-profit companies are just losing them money, so they sell them.

The stand out result came from largest overweight, Wellcom Group, which reported a 14% increase in profit and guided to at least double digit growth continuing into 2016. This company has become a truly global provider of content creation and production that is adapting superbly to a world of greater digital content. Its already healthy growth prospects may be nearing an inflection point as it is now pitching for large global accounts such as Castrol and L'Oréal. The stock traded up 22% for the month.

Another good result came from Paperlinx which reported that, having exited Europe and North America, its Australasian business made a steady \$15m of EBIT in 2015 and they expected growth going forward. The business is also going to be renamed Spicers Limited, the preference shares were up 79% for the month.

### Performance to 31 August 2015 (Gross of fees & incl IC's)

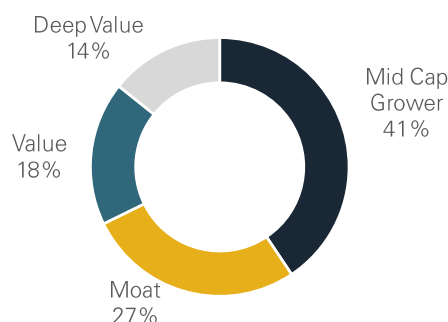
	Past Month	Past Quarter	Past Year	Since Inception (p.a.)*
Trans-Tasman Portfolio	-1.81%	1.42%	12.27%	14.24%
S&P/NZX50 Index including IC's	-4.46%	-3.01%	9.89%	10.41%
Out/Under Performance	+2.65%	+4.43%	+2.38%	+3.82%

\*Portfolio inception 17th January 2014

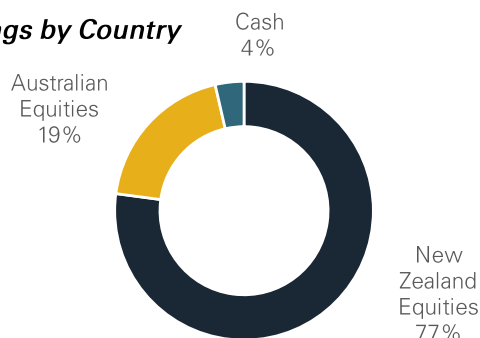
### Portfolio Strategy

The Castle Point Trans-Tasman Portfolio invests in New Zealand and Australian Listed Companies and is benchmarked to the S&P/NZX 50 Index. The objective of the Portfolio is to outperform the benchmark over rolling three year periods. With its high active share the Portfolio targets a tracking error of between 4-6% and will typically have less than 5% in cash at any time.

### Equity Holdings by Category



### Holdings by Country



### Largest Overweight Positions

Wellcom Group	AUD	5.2%
Vista Group International	NZD	4.3%
Freightways	NZD	3.3%
Swick Mining Services	AUD	3.0%
Boom Logistics	AUD	2.6%
Macmahon Holdings	AUD	2.2%
Corporate Travel Management	AUD	2.0%
Trade Me Group	NZD	2.0%
Port of Tauranga	NZD	1.9%
Contact Energy	NZD	1.7%
Australian Vintage	AUD	1.7%
Touchcorp	AUD	1.2%
Kathmandu Holdings	NZD	1.0%
PaperlinX SPS Trust	AUD	1.0%
Meridian Energy	NZD	1.0%

### Largest Underweight Positions

Air New Zealand	NZD	-2.0%
Xero	NZD	-1.9%
Precinct Properties New Zealand	NZD	-1.7%
Fisher & Paykel Healthcare	NZD	-1.6%
Auckland International Airport	NZD	-1.6%
Fletcher Building	NZD	-1.6%
Chorus	NZD	-1.5%
Ebos Group	NZD	-1.5%
Westpac Banking Corporation	NZD	-1.4%
Spark New Zealand	NZD	-1.4%
Argosy Property	NZD	-1.4%
Kiwi Property Group	NZD	-1.3%
Summerset Group Holdings	NZD	-1.3%
Vector	NZD	-1.2%
Nuplex Industries	NZD	-1.2%

### Fees

The Trans-Tasman Portfolio is currently being run as an individually managed account with fees as agreed with each client.

